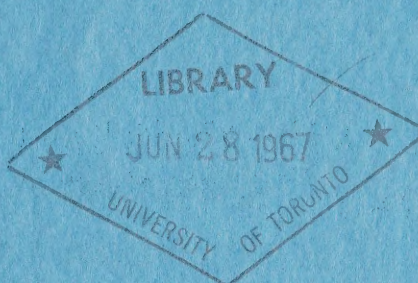


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FINANCIAL CONDITIONS  
CALENDAR YEAR 1963



FINANCIAL RESEARCH BRANCH  
DEPARTMENT OF ECONOMICS AND DEVELOPMENT  
PROVINCE OF ONTARIO  
JANUARY 1964







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INTRODUCTION

The purpose of this statement is to present a review of those events and developments occurring during the calendar year 1963, as they affected monetary conditions in Canada.

The statement covers such major aspects of the financial spectrum as:

----- general monetary conditions in Canada,

----- bond markets in Canada,

----- security markets in Canada, and

----- the value of the Canadian dollar, etc.

Special attention is focused upon Ontario's position in this respect.

This statement was prepared by Mr. R. W. Jones under the direction of Mr. H. I. MacKillop.





### General Monetary Conditions

Domestic and foreign government fiscal policies had an important and visible impact upon Canadian monetary conditions throughout 1963. The reduction in the Canadian bank rate from 4 per cent to  $3\frac{1}{2}$  per cent on May 6, 1963, was viewed as an expression of the Federal Government's desire to promote greater economic expansion through an easier monetary policy. The total supply of money in Canada prior to this date had remained fairly constant at around \$15.6 billion but subsequently advanced consistently during the following three months. By August, the total money supply had increased by about 4 per cent to a level of \$16.2 billion. The interest rate structure in Canada accordingly was subject to fractional downward adjustments which continued until mid-July.

Though certain provisions aimed at discouraging the extent of foreign ownership of Canadian companies highlighted the Federal budget brought down in June, the trend to lower interest costs of borrowing prevailed until an announcement was made that a measure was to be placed before the United States Congress to authorize a tax on sales of foreign securities to United States residents. This proposed U.S. Interest Equalization Tax, took the form of a graduated tax ranging from 2.75 per cent for three-year bond maturities to 15 per cent for bonds maturing after  $28\frac{1}{2}$  years and 15 per cent in the case of equity securities. Announcement of this proposal on July 18, 1963 by the late President Kennedy had an immediate effect on borrowing costs in Canada. The entire interest rate structure rose sharply. Despite subsequent announcements stemming from representations made by the Federal Government in Washington in respect of the proposed tax, the uptrend in Canadian interest rates prevailed until September 1963, when details of Canada's wheat sales to the U.S.S.R. were released.

The most important concession on the part of the U.S.A. resulting from the representations made by Canada in Washington regarding the Interest Equalization Tax was an intimation that the President would be given discretionary power to consider exemptions from the proposed tax. This has been interpreted to mean that, if and when the tax is enacted, the U.S.A. will not impose it on new Canadian issues of bonds or stocks. U.S. Secretary of State Dillion however has indicated that such an exemption in respect of new Canadian bond financings would only apply if such borrowings did not exceed \$500 million per year. While this proposed tax is still subject to debate,





and not as yet in force, certain additional refinements to its form have been made. Namely, the tax in its present form would not be imposed upon the stock market trading in foreign equities whose principal market is in the U.S.A., and at least 50% owned by U.S. stock holders. In this respect, the New York and American Stock Exchanges have released a list of 19 companies which would qualify, virtually all of them being Canadian.

The prospects of a capital inflow in excess of half a billion dollars over the next three years, inherent in September's announcement of sizeable wheat contracts brought to an immediate halt the uptrend in the Canadian interest rates structure which had ensued since mid-August, 1963. Costs of borrowing consequently were subject to downward adjustment and interest rates closed the year at levels virtually the same as those prevailing at the commencement of 1963. The total supply of money in Canada which had remained fairly constant at around \$16 billion in the two month period prior to the announcement of the wheat sales consistently advanced thereafter to close the year at a peak of \$17.14 billion - an actual increase of \$1.5 billion or some 9% over the 1962 year-end level. This represented one of the largest expansions in currency outstanding over any 12 month period in Canada's history. However, impressive as this increase is, it must be related to the fact that total money supply at the end of 1962 was somewhat subnormal due to the exchange crisis which then prevailed.

#### Canadian Money Market - 1963

With a few exceptional periods, the demand for and supply of short-term funds on the Canadian money market maintained a relatively constant balance throughout 1963. Consequently, interest costs and charges did not experience such wide fluctuations as had been registered in past years. Interest rates in general moved in accordance with changes in the fixed bank rate. Costs of borrowing showed little change until the bank rate was lowered to  $3\frac{1}{2}\%$  from 4% on May 6, 1963. Subsequently the entire interest rates structure for short-term financing was adjusted downwards by a similar amount. On August 12, 1963, the fixed bank rate was raised from  $3\frac{1}{2}\%$  to its former level of 4%. Credit conditions thereafter were subject to upward adjustments and interest rates closed the year approximating the levels which prevailed at the commencement of 1963.

The day-to-day loan rate which opened the year at 3  $\frac{3}{4}$  per cent declined to 2  $\frac{3}{4}$  per cent by the end of May. It then fluctuated between





2 3/4 per cent and 3 1/4 per cent until the first of December when it rose to its current level of 3 1/2-3/4 per cent.

Yields available on Government of Canada 91 and 182-day Treasury Bills showed a similar trend. The former which began January at its year high of 3.94 per cent reached a low of 3.19 per cent at the May 29 auction but increased thereafter to close the year offering 3.78 per cent. The latter which opened the year offering 4.06 per cent reached a low of 3.30 per cent at the May 29 auction but rose thereafter to close the year offering 3.99 per cent. The total amount of Canada Treasury Bills outstanding advanced from \$2,175 million at the beginning of the year to a high of \$2,345 at the end of June, but thereafter declined to a year-end total of \$2,240 million. Amounts of Canadian Treasury Bills on offer at the weekly auctions ranged from \$95 million to \$110 million of 91-day bills and \$25 million to \$35 million 182-day bills.

Prime finance and prime commercial paper rates reflected this changing interest rate structure. For example, prime commercial paper rates on a 30-day basis, which were quoted at 4 5/8 per cent (influenced largely by the exchange crisis of 1962) fell below 3 1/2 per cent for the period May 10 to July 24, and closed the year at a level of 4 per cent partly due to seasons influences. These trends are briefly depicted in the following table. Fuller details are shown in Appendix B-1.

	Day-to-Day Loan Rate (Closing)	Treasury Bills			Rediscount Rate
		Total Amount Outstanding	Yield 91-Day Bills	Yield 182-Day Bills	
	%	\$ Million	%	%	%
1962 - December 27	3 3/4	2,175	3.91	4.01	4.16
1963 - January 30	3 1/4	2,060	3.65	3.77	3.90
February 28	3 1/2	2,055	3.68	3.79	3.93
March 28	3 3/4	2,045	3.62	3.74	3.87
April 25	3 3/4	2,165	3.66	3.80	3.91
May 29	2 3/4	2,310	3.19	3.30	3.44(1)
June 26	3	2,345	3.24	3.34	3.49
July 31	2 3/4	2,240	3.43	3.60	3.68
August 28	3 1/4	2,240	3.71	3.95	3.96
September 27	2 3/4	2,245	3.56	3.71	3.81
October 25	2 3/4	2,265	3.56	3.73	3.81
November 29	3 1/4	2,255	3.63	3.76	3.88
December 27	3 1/2	2,240	3.78	3.99	4.03

(1) The bank rate was reduced to 3 1/2% on May 6.

(2) The bank rate was increased to 4% on August 12.





## Canadian Bond Markets - 1963

### Government of Canada

Until the end of May, prices of outstanding issues on the Canada Bond market moved within a very narrow range. On average, yields tended to edge upwards as a consequence of political uncertainties surrounding the general election.

On May 6, Bank of Canada Governor Louis Rasminsky announced that the Bank's own lending rate was reduced from 4 to  $3\frac{1}{2}$  per cent. He indicated that the lowering of the rate, for the first time since November 1962, was made possible by continued improvement in Canada's balance of payments deficit with other nations and in its holdings of foreign exchange reserves. This movement toward an easier money policy to promote economic expansion was regarded by many as a significant indication of what the new administration's outlook on money and credit policies was to be. The reaction to the bank rate reduction followed the traditional pattern, namely a sharp rise in bond prices and a corresponding decline in yields in all sections of the market. This uptrend in prices was maintained until mid-July despite the concern aroused over particular features contained in the Federal Budget in respect of withholding taxes. The announcement on July 18 of the late President John F. Kennedy's proposed "Interest equalization tax" had an immediate impact upon bond markets in Canada. Prices fluctuated widely during the ensuing week before any semblance of stability re-appeared. This is briefly illustrated hereunder:

Movement of Bid Prices of Selected Canada Bond Issues  
During Period July 18 to July 25, 1963.

<u>Description</u>	<u>Bid Price as at July</u>					
	<u>18th</u>	<u>19th</u>	<u>22nd</u>	<u>23rd</u>	<u>24th</u>	<u>25th</u>
	\$	\$	\$	\$	\$	\$
$3\frac{1}{4}\%$ due 1 Feb. 1964	99.65	99.55	99.65	99.70	99.70	99.70
$3\frac{3}{4}\%$ due 1 Sept. 1965	98.20	97.65	98.50	98.55	98.50	98.50
$5\frac{1}{2}\%$ due 1 Oct. 1969	103.00	101.25	102.50	102.50	102.50	102.50
$4\frac{1}{4}\%$ due 1 Sept. 1972	94.50	93.00	93.00	94.75	94.75	94.75
$5\frac{1}{2}\%$ due 1 Aug. 1980	103.00	100.75	102.50	102.50	102.50	102.50
$4\frac{1}{2}\%$ due 1 Sept. 1983	92.00	89.50	89.50	92.00	92.00	92.00





Thereafter slight selling pressures prevailed on the markets until details of the U.S.S.R. wheat contracts were released in September. This brought to an abrupt halt the downtrend in bond prices which had characterized the market in previous months. Steady price improvement ensued and prices of outstanding issues closed the year at levels showing little change from those which were quoted at the commencement of 1963.

#### Provincial

Trading activity on the Provincial bond market tended to follow the same pattern as on the Canada bond market during the calendar year 1963. Apart from minor fluctuations, yields on outstanding issues remained steady until mid-April. Thereafter, as price improvement occurred in all sections of the market, yields were adjusted downwards. This continued until July 18. The sharp price losses on the Canada bond market incurred in response to proposed U.S. Interest Equalization Tax were similarly reflected on the Provincial bond market. Certain of the Provinces which have traditionally raised most of their funds on the New York Market - Nova Scotia in particular - at this period voiced concern about their future borrowing ability on any other market. The news of the Canada-U.S.S.R. wheat deal in September, however, offset to a degree the earlier losses incurred. The strength and depth of the price recovery which ensued was not as great as that registered by Federal issues. Consequently, prices of most outstanding provincial issues closed the year fractionally lower than those quoted at its commencement.

#### Municipal

Price fluctuations on the Municipal bond markets during 1963 corresponded to those of senior government issues. Prior to July 18, the general tone of the market was one of steady improvement. In the wake of the proposed Interest Equalization Tax a sharp decline in prices resulted and market activity came to an apparent standstill. Virtually all buying or trading support had been dispensed with and scheduled borrowings were cancelled. Those municipalities that were in need of immediate funds were compelled to direct their financings via bank accommodations, or short-term paper issues. Up until July, the lower costs of borrowing in the U.S.A. had been attracting an increasing number of municipalities carrying out





their financings in New York through the medium of private placement. Consequently the burden upon the Canadian markets was largely alleviated. Thereafter, as most municipal borrowings were raised on the domestic market in lower volume, costs of borrowing increased. For example, when Metropolitan Toronto came to the market in March for funds they were able to float ten year bonds which yielded 5.32%; in October, with another 10 year maturity the comparable issue was priced to yield 5.48%.

Changes in the volume and value of new municipal bond financings as a consequence of the proposed Interest Equalization Tax are shown in the following table:

<u>Period</u>	<u>1962</u>	<u>1963</u>	<u>Percentage Change</u> <u>1963 over 1962.</u>
	\$	\$	%
January 1 to June 30	223,373,939	274,609,140	+22.9
July 1 to December 31	227,787,352	186,822,624	-18.0
January 1 to December 31	451,161,091	461,431,764	+ 2.3

#### Corporate

Contrary to the other bond markets in Canada, prices on the Corporate bond market fell noticeably during the first three months of 1963. This pricing pattern, however, was largely attributable to the burden of an increase in volume of new issues for this period. In the following months the interest rate structure declined to approximate those levels which prevailed in January. Trading, however, was adversely influenced in July by the U.S. tax proposal but recovered consequent to the wheat sales.

Prices of outstanding Corporate issues closed the year only slightly below those in effect at its commencement. For the period January 1 to June 30 total Corporate financing amounted to \$465,989,900, an increase of 38.5% over the \$336,406,500 raised in the like period of 1962, but for the total year only amounted to \$698,689,000 as compared to \$867,252,000 raised in 1962, a decrease of 19.4% from last year.





Summary of New Canadian Bond Financings

New Canadian bond financings during calendar 1963 totalled \$3.9 billion, down 23.5 per cent from the \$5.2 billion raised in the same period last year. Municipal and Provincial financings obtained through this media were slightly higher but Federal and Corporation floatations were substantially lower. Federal financings totalling \$1.6 billion and Corporation financings of \$0.7 billion were 45.7 per cent and 19.4 per cent respectively lower in 1963 than in 1962. The value of bonds payable in Canadian funds in 1963 totalled \$3.4 billion, a decrease of almost 21 per cent from the \$4.3 billion raised in 1962. Similarly, the value of bonds payable in U.S. funds which amounted to \$0.5 billion in 1963 were 37 per cent lower than 1962's total of \$0.8 billion. The largest single factor influencing the value, volume and source of new Canadian bond financings in 1963 undoubtedly was the proposed U.S. Interest Equalization Tax. For example, prior to the announcement of this proposed measure, new borrowings had amounted to \$2,202,812,204 of which \$523,401,666 or 23.8 per cent were payable in U.S. funds. By the close of 1963 however, new borrowings had only risen to \$3,940,749,517 of which \$529,251,666 or 13.4 per cent were payable in U.S. funds. In other words, new Canadian bonds financings in the last five months of 1963 amounted to \$1,737,937,313, some 37.5 per cent lower than the \$2,782,404,592 raised in the period August to December, 1962. In the August to December 1963 period a mere \$5.85 million or 0.33 per cent was payable in U.S. funds. The breakdown is illustrated in the following table:



New Canadian Bond Financing

Canadian Bond Financing January 1st to December 31st	1962		1963		Percentage Change 1963 Over 1962
	Amount	% of Total	Amount	% of Total	
	\$	%	\$	%	
Canadian Direct and Guaranteed(1)	2,902,637,300 <sup>(2)</sup>	56.3	1,575,442,700 <sup>(3)</sup>	40.0	-45.7
Provincial Direct and Guaranteed (1)	921,547,600	17.9	1,156,394,207	29.3	+ 2.5
Ontario Municipal	181,396,054	3.5	196,016,903	5.0	+ 8.1
Quebec and Maritimes Municipal	231,796,900	4.5	248,693,506	6.3	+ 7.3
Western Municipal	48,238,810	.9	65,512,301	1.7	+35.8
Corporation	<u>867,252,000</u>	<u>16.8</u>	<u>698,689,900</u>	<u>17.7</u>	<u>-19.4</u>
	<u>5,152,868,664</u>	<u>100.0</u>	<u>3,940,749,517</u>	<u>100.0</u>	<u>-23.5</u>
Payable in Canadian Funds	4,313,433,926	83.7	3,411,497,851	86.6	-20.9
Payable in U.S. Funds	<u>839,434,738</u>	<u>16.3</u>	<u>529,251,666</u>	<u>13.4</u>	<u>-37.0</u>
	<u>5,152,868,664</u>	<u>100.0</u>	<u>3,940,749,517</u>	<u>100.0</u>	<u>-23.5</u>
Refunding	1,056,184,100	20.5	554,384,547	14.1	-47.5
New Money	<u>4,096,684,564</u>	<u>79.5</u>	<u>3,386,364,970</u>	<u>85.9</u>	<u>-17.3</u>
	<u>5,152,868,664</u>	<u>100.0</u>	<u>3,940,749,517</u>	<u>100.0</u>	<u>-23.5</u>

(1) Over two years in term.

(2) Includes sales of Canada Savings Bonds, Series 17, \$1,602,637,300.

(3) Includes sales of \$800,442,700 as at Nov. 15, 1963.





The Province of Ontario Bonds and Guaranteed Issues

The Province of Ontario came to the market on three separate occasions during calendar 1963 for total borrowings of \$120 million. Initially, in May it raised \$20 million through a private placement of 4%, 3-6 year debentures in New York. In August, a two-part \$50 million issue was released consisting of a \$15 million 5% debentures due September 15, 1967, which was privately placed and a \$35 million 5½% debentures due September 15, 1980/83, priced at \$98.50 to yield 5.625 per cent. Finally, in November, a \$50 million 20 years - 5¼% debenture bonds issue was offered priced at \$98.00 to yield 5.415 per cent. In addition, the Province guaranteed principal and interest payments on \$120 million worth of Ontario H.E.P.C. new bonds floated during calendar 1963. The first of these new issues raised on the Canadian market was a \$60 million two-part offering in February comprised of a \$13.5 million 5% bonds issue maturing March 1, 1971, priced at par and a \$46.5 million 5¼% bonds issue due to mature March 1, 1983 (callable after March 1, 1980 at par), priced at \$99.375 to yield 5.30 per cent. The remaining \$60 million was raised in May, through a 5%, 20-year bonds issue priced at \$97.50 to yield 5.20 per cent. A statistical presentation of these financings is as follows:

New Province of Ontario Bonds and Guaranteed Issues, 1963

Ontario

Issue Date	Amount \$ Million par value	Coupon Rate %	Price \$	Date of Maturity	Yield to Maturity %
May 15, 1963 <sup>(1)</sup>	20	4	privately placed	May 15, 1966/69	N.A.
Sept. 15, 1963	15	5	privately placed	Sept. 15, 1967	N.A.
	35	5½	98.50	Sept. 15, 1980/83	5.625
Dec. 1, 1963	50	5¼	98.00	Dec. 1, 1983	5.415

Hydro-Electric Power Commission

March 1, 1963	13.5	5	100.00	March 1, 1971	5
March 1, 1963 <sup>(2)</sup>	46.5	5¼	99.375	March 1, 1983	5.30
June 15, 1963	60	5	97.50	June 15, 1983	5.20

N.A. not available

(1) Payable in U.S. funds

(2) Callable after March 1, 1980 at par.





Ontario Municipal Bonds

The total value by sales, of Ontario Municipal bond issues during the calendar year 1963 increased 8.1% to \$196.0 million, as compared with the 1962 total of \$181.4 million. They accounted for 38.5% of all Canadian Municipal bond issues on offer during the past year.

An indication of the costs of raising funds for selected municipalities, since 1950, is given in the following table:



INTEREST COST OF BORROWINGS  
TO FOUR REPRESENTATIVE MUNICIPALITIES IN ONTARIO  
DURING 1950 TO 1963

	Metropolitan Toronto (1)		City of Ottawa		City of Barrie (2)		Township of Nepean	
	Amount (\$'000's)	Interest Cost %	Amount (\$'000's)	Interest Cost %	Amount (\$'000's)	Interest Cost %	Amount (\$'000's)	Interest Cost %
1950	9,165 843.3 15,000	2.76 2.35 2.76	7,000 2,936	2.92 3.50	601 160.8	3.13 3.19	--	--
1951	20,000 5,568	3.49 3.79	8,561	3.48	580	4.44	94	4.55
1952	10,774	3.98	505 2,032	3.95 4.20	218.9	4.63	70	4.87
1953	12,000 12,610	4.24 4.50	3,417	4.08	148.2	4.60	258 75	4.96 4.90
1954	30,235 26,155	3.63 3.56	4,304	3.22	324 136	4.23 3.65	180	4.04
1955	31,714 28,169	3.58 3.88	2,219	3.88	110.3	4.27	--	--
1956	28,580 36,454	4.58 4.48	8,058	4.12	800	4.78	--	--
1957	20,090 26,694 39,372	5.43 5.10 5.20	3,365 10,761	5.45 4.99	455.5	6.02	45	5.12
1958	29,640 39,587	4.13 4.85	3,676 6,206	4.55 5.09	753	5.51	253	5.65
1959	26,259 39,982 24,357	5.47 5.22 6.46	17,364	5.69	526	6.60	--	--
1960	41,318 24,256 29,350	5.25 6.03 5.68	17,474	5.73	912.5	5.93	364	5.94
1961	34,147 33,265	5.81 5.67	15,765	5.49	918.0	5.40	577	5.81
1962	30,063 20,189 30,209	5.67 5.60 5.66	4,898	5.51	--	--	2,391.9	5.50 US
1963	30,634 28,809 30,976	5.46 5.34 5.57	16,039	5.49	765	5.54	906	5.60

(1) City of Toronto in 1950-53.

(2) Town of Barrie in 1950-58.





# Canada Savings Bonds

On Wednesday, September 18, the terms of the 18th Series of Canada Savings Bonds were announced. The new series will yield 5.03 per cent to maturity in 12 years. The bonds will be dated November 1, and interest payable each year will start at  $4\frac{1}{2}\%$  for each of the first two years, 5% for each of the next 6 years, and  $5\frac{1}{2}\%$  for each of the final four years. In a statement, Finance Minister Gordon said he is confident the new issue will be "very attractive" to both cash and payroll-savings buyers. He expressed the hope that last year's record sale of \$232 million in Savings Bonds to 675,000 employees will be exceeded this year. The total of Savings Bonds in the hands of the public as of December 27 amounted to some \$5,141 million - constituting about 25% of the Government's total outstanding debt. A Table presenting a record of outstanding Canada Savings Bonds is as follows:

## RECORD OF OUTSTANDING CANADA SAVINGS BONDS

Year of Issue	Series	Maturity Date	Coupon Rate	Yield to Maturity Original
1953	8	1 November 1965	3 $\frac{3}{4}\%$	3.75%
1954	9	1 November 1966	3 $\frac{1}{4}\%$	3.25%
1955	10	1 November 1967	3 $\frac{1}{4}\%$	3.25%
1956	11	1 May 1969	4% to May 1969	3.76%
1957	12	1 November 1970	4 $\frac{3}{4}\%$ to Nov. 1970	4.46%
1958	13	1 November 1973	4 $\frac{1}{4}\%$ to Nov. 1973	4.19%
1959*	14	1 November 1968	5% to Nov. 1968	4.98%
1960	15	1 November 1970	4 $\frac{1}{2}\%$ to Nov. 1963 4 $\frac{3}{4}\%$ to Nov. 1964 5% to Nov. 1970	4.71%
1961	16	1 November 1971	4 $\frac{1}{2}\%$ to Nov. 1968 5% to Nov. 1971	4.60%
1962	17	1 November 1976	4 $\frac{1}{2}\%$ to Nov. 1965 5% to Nov. 1968 5 $\frac{1}{2}\%$ to Nov. 1976	5.11%
1963	18	1 November 1975	4 $\frac{1}{2}\%$ to Nov. 1965 5% to Nov. 1971 5 $\frac{1}{2}\%$ to Nov. 1975	5.03%

\* +3% premium at maturity.





Canadian Stock Markets, 1963.

Apart from a few periods when activity on Canadian stock exchanges was particularly and significantly sensitive to domestic and foreign events, 1963 was a year in which Canadian equity prices on average advanced at a slow but steady rate. It was a year noteworthy in the sense that investors appeared to be influenced more by Canada's steadily improving balance of payments position and increase in gross national product than by particular external events. As a consequence, the wide swings in prices which had occurred in previous years were, to a large extent, eliminated. On three particular occasions, however, sharp reversals of the uptrend in prices did take place. The first occurred in mid-June in the wake of certain provisions contained in Finance Minister Gordon's June 13th budget. The reaction to the proposed "Take Over" Tax, for example, was pronounced but when this measure was rescinded shortly thereafter, prices recovered strongly. The second substantial downtrend took place on the announcement of the late President Kennedy's "Interest Equalization Tax" on July 18th. Subsequent discussions in Washington between Canadian and U.S. officials regarding the intent and content of the tax in this case did much to dispell investors fears and prices once again recovered. Nevertheless, the threat of this tax still continues to dampen down trading on Canadian stock markets. The final marked downtrend in prices occurred just prior to the closure of the markets following the tragic news of the assassination of President John F. Kennedy on November 22nd. The delay in the reopenings of stock exchanges, however, gave investors full opportunity to make a rational evaluation and weigh carefully the implications of this tragedy and general business conditions. Consequently, when the markets reopened, virtually all selling pressures had been abated and a strong rally ensued which more than offset the previous losses registered. Subsequently, from the end of November until the close of 1963, price appreciation in most sections of Canadian stock markets was the rule. The tempo of trading rose significantly and a vigorous rally climaxed the close of trading in 1963.

On Monday, November 4, The Toronto Stock Exchange commenced publishing a new T.S.E. Index, replacing its predecessor which had been in use for the past 29 years. The new index is based initially on 108 stocks. These stocks represent four major groups or components: Industrial, Gold, Base Metal and Western Oil and there is also an index for each of these



groups. The new T.S.E. system of indexing is virtually identical with those used by the Dominion Bureau of Statistics and the Montreal Stock Exchange in computing their indexes. In all three cases, the formula used is patterned after one developed by Standard & Poor's New York-based investment service. The new approach uses aggregate market values instead of averaging current market prices of a group of stocks and relating this average to the average of their market prices in a pre-selected base period. As the new indexes include many more stocks weighted in importance according to their market values rather than market prices, they are expected to be more representative of the market and hence more realistic than their predecessors.

On the last day of its computation the old T.S.E. Industrial Index closed at 656.98 - an increase of no less than 13.7 per cent since Jan. 2, 1963. The new T.S.E. stock-Industrial Index, however, after closing at 134.10 on November 4, 1963, continued to register modest declines until November 22, when it closed at 129.23. Thereafter it advanced consistently to close the year at a level of 137.49. It is pertinent to note that a one point increase of the new Index is equivalent to a five point increase of the old.

Changes in representative stock indices during 1962 are indicated in the following table:

Common Stock Averages

	1962-63		Dec.31, 1962	June 28, 1963	Dec.31 1963	% Change Dec.31, 1962 to Dec. 31, 1963
	<u>High</u>	<u>Low</u>	(Closing)	(Closing)	(Closing)	
T.S.E. Industrial (New)	137.49	112.12	124.18	131.91	137.49	+10.7
T.S.E. Gold (New)	149.04	120.14	120.14	138.29	129.21	+ 7.5
T.S.E. Base Metals (New)	64.56	51.70	57.08	58.94	58.90	+ 3.2
T.S.E. Western Oils (New)	93.87	69.37	80.48	81.46	82.38	+ 2.4
N.Y. Industrials (Dow-Jones)	767.21	535.76	652.10	706.88	762.95	+17.0
London Industrials (Financial Times)	348.3	252.8	283.1	309.4	348.3	+23.0

A Table illustrating trends in industrial stock indices in Canada and the U.S. is presented on page B-8 of the Appendix.





Statistics published by the Toronto Stock Exchange indicate that the value of all shares traded on the T.S.E. in 1963 was 3.9% higher than the previous year. The according volume of shares traded increased by only 0.5 per cent. A comparison of value and volume of shares traded on the T.S.E. during 1962 and 1963 follows:

SHARES TRADED ON T.S.E.

<u>Month</u>	<u>1963</u>		<u>1962</u>	
	<u>Value</u>	<u>Volume</u>	<u>Value</u>	<u>Volume</u>
	\$		\$	
January	240,193,201	77,858,439	257,802,090	103,560,702
February	209,683,278	74,299,803	197,335,267	65,135,372
March	763,553,394	68,823,954	180,303,855	76,600,798
April	206,640,486	67,198,773	151,436,824	61,406,537
May	228,410,176	76,351,499	227,089,586	56,773,532
June	161,452,836	82,707,061	171,810,387	45,079,442
July	145,690,407	58,946,538	121,763,830	46,651,998
August	110,378,243	47,105,450	136,986,233	81,352,104
September	152,954,793	52,257,478	165,163,871	97,992,819
October	201,011,182	60,829,413	148,886,214	69,989,028
November	162,359,572	66,512,133	167,511,876	53,929,872
December	<u>161,560,555</u>	<u>75,961,559</u>	<u>137,730,441</u>	<u>45,926,711</u>
	<u>2,143,888,123</u>	<u>808,852,100</u>	<u>2,063,819,474</u>	<u>804,398,915</u>

According to figures released by the Financial Post, dividend payments by Canadian companies during 1963 are 3.4% higher than in 1962. Final figures for the first 11 months of 1963, and payments and declarations for December total \$1,028.2 million as compared with \$994.8 million at the same time last year. The monthly totals are as follows:





MONTHLY DIVIDENDS AND DECLARATIONS

	<u>1961</u>	<u>1962</u>	<u>1963</u>
	\$	\$	\$
January	75,540,860	80,253,554	90,876,237
February	47,604,411	46,805,360	49,954,774
March	95,035,916	99,545,911	111,676,569
April	64,994,919	70,598,346	80,526,279
May	35,730,442	37,487,497	43,233,951
June	105,879,657	127,271,410	127,975,100
July	74,020,192	74,270,055	81,469,977
August	47,446,397	54,140,088	48,258,806
September	96,357,372	99,881,332	116,085,948
October	65,559,895	72,493,014	76,516,181
November	38,127,088	64,076,681	42,692,899
December	<u>164,920,894</u>	<u>167,935,508</u>	<u>158,946,294</u> <sup>(1)</sup>
Total	<u>911,218,043</u>	<u>994,758,746</u>	<u>1,028,213,015</u>

(1) Preliminary.

Foreign Exchange - 1963

After reaching a record level of \$2,712 million at the end of May 1963, Canada's official holdings of gold and dollar reserves declined to \$2,470.5 million by the end of August. Part of this decline was undoubtedly attributable to the impact on the economy of the proposed Interest Equalization Tax and partly due to a repayment of \$79.7 million of the \$300 million emergency loan that the International Monetary Fund previously made available to Canada at the time of the 1962 foreign exchange crisis. From August onwards, the total of reserves steadily recovered to a level of \$2,631 million by the end of November. At the close of December, 1963, the total holdings amounted to \$2,595 million. This slight decrease in reserves of \$36 million during December, however, is regarded as seasonal in nature arising out of such factors as heavy dividend payments to foreigners at year end; the decline in Canadian commodity sales abroad due to the St. Lawrence Seaway shut-down and increased Canadian tourist traffic south of the Canadian border, etc.



Canada's Official Holdings of Gold and U.S. Dollars  
(\$ Millions U.S.)

<u>End of</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
January	1,892.5	1,921.9	2,662.5
February	1,911.9	1,746.7	2,593.9
March	1,934.9	1,709.4	2,600.1
April	1,935.2	1,594.8	2,671.4
May	1,949.2	1,492.8	2,712.0
June	1,985.2	1,808.7	2,691.6
July	1,960.3	2,114.4	2,501.0
August	1,944.4	2,330.6	2,470.5
September	1,924.3	2,444.6	2,568.3
October	2,110.6	2,613.9	2,581.4
November	2,078.8	2,607.5	2,631.0
December	2,055.8	2,539.4	2,595.0

Throughout 1963 the Canadian dollar has generally been above its parity of \$.92½ U.S. except for the period immediately following the announcement on July 18th of the proposed "Interest Equalization Tax". From a noon rate high of \$.92 59/64 U.S. quoted at the end of January, only minor fluctuation were registered until July 19th. The noon rate was then quoted at its 1963 low of \$.92 3/32 U.S. Thereafter the value of the Canadian dollar recovered strongly being given particular impetus by the news of the U.S.S.R. wheat contracts. At noon on September 26th the Canadian dollar was quoted at \$.92 29/32 - a level virtually the same as its previous 1963 high. Since then the Canadian dollar has eased slightly closing the year at a level of \$.92 17/32 - a decline of 5/16 from the previous year.

A table illustrating fluctuations in the value of the U.S. dollar and the pound sterling in Canada is shown below.

Foreign Exchange Rates

	<u>Average Spot Noon Rates</u>	
	<u>U.S. Dollar</u> <u>in Canada</u>	<u>Pound Sterling</u> <u>in Canada</u>
1959	95.90	269.39
1960	96.97	272.28
1961	101.32	283.95
1962	106.89	300.15
1963 - January	107.71	302.13
- March	107.80	301.94
- June	107.82	301.96
- September	107.98	302.12
- December	107.93	301.86





MONEY MARKET STATISTICS 1963

	<u>Jan. 2</u>	<u>March 28</u>	<u>June 26</u>	<u>Sept. 27</u>	<u>Dec. 27</u>
<u>Money Supply (\$ million)</u>	15,567	15,485	15,977	16,151	16,887
<u>Chartered Banks, General Loans (\$ million)</u>	6,448	6,446	6,689	6,955	7,060
<u>Day-to-Day Loan Rate (%)</u>	3 3/4	3 3/4	3.00	2 3/4	3 1/2
<u>Average Yield on Treasury Bills (%)</u>					
91-Day	3.94	3.62	3.24	3.56	3.78
182-Day	4.06	3.74	3.34	3.71	3.99
<u>Canada Treasury Bills Outstanding (\$ million)</u>					
91-Day	1,275	1,280	1,385	1,365	1,370
182-Day	695	740	775	780	770
366-Day	85	85	100	100	100
<u>Prime Finance Paper Rates (%)</u>					
30 - 89 Days	4	3 3/4	3 3/8	3 1/2 - 3 5/8	4 - 4 1/4
90 - 179 Days	4 1/4	3 7/8	3 5/8	3 7/8	4 1/4 - 4 3/8
180 - 269 Days	4 1/2	4	3 3/4	4 1/8	4 1/2
270 - 365 Days	4 3/4	4 1/8	3 7/8	4 3/8	4 1/2
<u>Prime Commercial Paper Rates (%)</u>					
24 hr. Demand	4 - 4 3/8	3 3/4 - 4	3 1/4 - 3 3/8	3 1/4 - 3 5/8	3 3/4 - 4
30 day Demand	4 1/4 - 4 3/8	3 7/8 - 4	3 3/8 - 3 5/8	3 5/8 - 3 3/4	4 - 4 1/4



REDISCOUNT RATES IN CANADA, THE UNITED STATES, AND THE UNITED KINGDOM,  
SELECTED YEARS 1937 TO 1962 AND MONTHLY FOR THE YEAR 1963

<u>End of Period</u>	<u>Canada</u>	<u>United States</u>	<u>United Kingdom</u>
	%	%	%
1937	2.50	1.00	2.00
1948	1.50	1.50	2.00
1950	2.00	1.75	2.00
1951	2.00	1.75	2.50
1952	2.00	1.75	4.00
1953	2.00	2.00	3.50
1954	2.00	1.50	3.00
1955	2.75	2.50	4.50
1956	3.92	3.00	5.50
1957	3.87	3.00	7.00
1958	3.74	2.50	4.00
1959	5.37	4.00	4.00
1960	3.50	3.00	5.00
1961	3.24	3.00	6.00
1962	4.16	3.00	4.50
1963 - January	3.90	3.00	4.00
- February	3.93	3.00	4.00
- March	3.87	3.00	4.00
- April	3.91	3.00	4.00
- May	3.44	3.00	4.00
- June	3.49	3.00	4.00
- July	3.66	3.50	4.00
- August	3.96	3.50	4.00
- September	3.93	3.50	4.00
- October	3.84	3.50	4.00
- November	3.88	3.50	4.00
- December	4.03	3.50	4.00





NEW GOVERNMENT OF CANADA BOND ISSUES, 1963

<u>Issue Date</u>	<u>Amount</u>	<u>Coupon Rate</u>	<u>Price</u>	<u>Date of Maturity</u>	<u>Yield to Maturity</u>
	\$ Million Par Value	%	\$		%
Feb. 1/63	125	3 $\frac{1}{4}$	99.25	Feb. 1/64	4.02
Feb. 1/63	225 <sup>(1)</sup>	3 $\frac{1}{2}$	97.25	Feb. 1/66	4.49
Apr. 1/63	240 <sup>(2)</sup>	3 $\frac{1}{4}$	99.20	Feb. 1/64	3.96
Apr. 1/63	60 <sup>(3)</sup>	4 $\frac{1}{4}$	99.50	Apr. 1/65	4.51
July 1/63	100	5	99.00	June 1/88	5.07
July 1/63	350)	3 $\frac{1}{4}$	99.35	July 1/64	3.87
July 1/63	) = (4)	4 $\frac{1}{4}$	99.00	June 1/67	4.53
Oct. 1/63	185	3 $\frac{1}{4}$	99.00	Oct. 1/64	4.28
Oct. 1/63	90	4 $\frac{1}{4}$	99.40	Apr. 1/65	4.67
Oct. 1/63	50 <sup>(5)</sup>	5	100.00	Oct. 1/68	5.00
Dec. 15/63	225	3 $\frac{1}{4}$	99.15	Dec. 15/64	4.13
Dec. 15/63	75 <sup>(6)</sup>	4 $\frac{1}{2}$	99.85	Dec. 15/66	4.55

- (1) Bank of Canada purchased \$75 million.  
Proceeds, in part, to be used to make advance to Canadian National Railway in connection with refunding of a \$250 million 2  $\frac{3}{4}$ % bond due Feb. 1/63.
- (2) Issue is an addition to the 1-year bonds issued in February.
- (3) Is an addition to \$50 million bonds issued October 1, 1962.
- (4) Is an addition to \$100 million bonds issued October 1, 1962.
- (5) In addition, the Bank of Canada agreed to acquire a further \$266 million of this bond in exchange for an equal par value of 3  $\frac{3}{4}$ % bond due Sept. 1, 1965.
- (6) Is an addition to a \$175 million issue dated Sept. 15, 1961.



SELECTED GOVERNMENT OF CANADA BONDS, PRICES AND YIELDS

(As at Mid-Market Close)

	December 31, 1962		November 29, 1963		December 31, 1963		Change Nov. 29, 1963 to Dec. 31, 1963		Change End of 1962 to Dec. 31, 1963	
	Price		Price		Price		Price		Price	
	\$	%	\$	%	\$	%	\$	%	\$	%
3 3/4%	98.375	4.33	99.375	4.13	99.125	4.12	-0.25	-0.01	+0.75	-0.21
4 1/2%	99.25	4.50	99.50	4.41	100.125	4.36	+0.625	-0.05	+0.875	-0.14
2 3/4%	92.125	4.30	93.25	4.21	93.00	4.29	-0.25	+0.08	+0.875	-0.01
4 1/4%	95.125	4.84	94.50	4.92	94.50	4.93	-	+0.01	-0.675	+0.09
3 1/4%	82.75	4.97	83.00	5.02	82.75	5.05	-0.25	+0.03	-	+0.08
3 3/4%	86.25	5.01	86.00	5.07	85.75	5.10	-0.25	+0.03	-0.50	+0.09
3 1/4%	79.75	5.00	80.00	5.03	79.75	5.05	-0.25	+0.02	-	+0.05
4 1/2%	92.625	5.05	91.75	5.11	91.75	5.11	-	-	-0.875	+0.06





SELECTED ONTARIO AND H.E.P.C. BONDS, PRICES AND YIELDS

(As at Mid-Market Close)

		December 31 1962		November 29 1963		December 31 1963		Change November 29, 1963 to December 31, 1963		Change End of 1962 to December 31, 1963	
		Price		Price		Price		Price		Price	
		\$	%	\$	%	\$	%	\$	%	\$	%
<u>ONTARIO</u>											
3%	1 Nov. 1963/65	96.00	4.11	96.50	4.23	97.00	4.09	+0.50	-0.14	+1.00	-0.02
5%	15 July 1963/64	100.00	4.37	99.75	3.84	99.75	3.84	-	-	-0.25	-0.53
3%	15 Dec. 1968/70	88.50	4.58	88.75	4.70	89.00	4.69	+0.25	-0.01	+0.50	+0.11
6%	15 Nov. 1969	104.00	5.15	104.00	5.03	104.00	5.03	-	-	-	-0.12
5%	1 Jan. 1977/79	97.00	5.18	96.50	5.25	96.50	5.25	-	-	-0.50	+0.07
5½%	15 Apr. 1979/81	100.75	5.35	100.25	5.38	100.25	5.38	-	-	-0.50	+0.03
<u>H.E.P.C.</u>											
2 3/4	1 Oct. 1965/68	90.00	4.50	91.50	4.48	91.50	4.48	-	-	+1.50	-0.02
3	15 June, 1971/73	85.00	4.70	85.00	4.86	85.00	4.86	-	-	-	+0.16
3½	1 March 1975/77	83.00	5.07	83.00	5.16	83.50	5.12	+0.50	-0.04	+0.50	+0.05
4½	1 March 1976/78	92.00	5.17	91.50	5.25	91.75	5.22	+0.25	-0.03	-0.25	+0.05
5	15 Oct. 1977/78	96.75	5.21	96.00	5.29	96.25	5.27	+0.25	-0.02	-0.50	+0.06
5½	15 Feb. 1978/80	105.00	5.45	104.75	5.42	105.00	5.39	+0.25	-0.03	-	-0.06



MID-MONTH YIELDS OF SELECTED GOVERNMENT OF CANADA, PROVINCE OF ONTARIO AND H.E.P.C. LOW COUPON ISSUES FROM JANUARY 1963 TO DECEMBER 1963

	Canada	Ontario	H.E.P.C.	Canada	Ontario	H.E.P.C.	Canada	Ontario	H.E.P.C.
	<u>4<math>\frac{1}{4}</math>% Sept. 1, 1972</u>	<u>3% Nov. 1, 1963/65</u>	<u>4% Jan. 15, 1964/67</u>	<u>2 3/4% June 15, 1967/68</u>	<u>2 3/4% Nov. 15, 1965/69</u>	<u>3% June 15, 1971/73</u>	<u>3<math>\frac{1}{4}</math>% June 1, 1974/76</u>	<u>3% Oct. 15, 1975/77</u>	<u>3<math>\frac{1}{2}</math>% Oct. 15, 1974/79</u>
	%	%	%	%	%	%	%	%	%
1963									
January	4.91	4.32	4.65	4.24	4.47	4.95	4.95	4.81	5.11
February	4.94	4.48	4.65	4.34	4.53	4.61	5.01	4.87	5.11
March	4.98	4.50	4.72	4.36	4.48	4.67	5.01	4.87	5.11
April	4.85	4.35	4.73	4.33	4.43	4.67	4.86	4.87	5.11
May	4.75	3.85	4.60	4.01	4.36	4.67	4.72	4.90	4.95
June	4.72	3.98	4.61	3.97	4.28	4.61	4.75	4.73	4.95
July	4.83	4.14	4.63	4.05	4.40	4.61	4.85	4.78	4.99
August	4.94	4.40	4.66	4.31	4.40	5.29	5.10	4.80	5.67
September	5.12	4.40	4.76	4.38	4.51	5.08	5.17	5.10	5.38
October	4.84	4.15	4.85	4.24	4.50	4.83	4.91	4.98	5.17
November	4.95	4.20	4.86	4.31	4.58	4.88	5.04	4.98	5.17
December	4.89	4.20	4.81	4.23	4.55	4.88	5.05	4.97	5.18





COMPARISON OF SPREAD BETWEEN LONG-TERM GOVERNMENT OF CANADA YIELDS AND YIELDS ON COMPARABLE PROVINCIAL, MUNICIPAL, PUBLIC UTILITY AND INDUSTRIAL BOND ISSUES, ANNUALLY FROM 1948 TO 1962 AND MONTHLY TO DATE

Annual Average	Long(1) Term Canada %	10 Provincial Bonds			10 Municipal Bonds			10 Utility Bonds			10 Industrial Bonds			40 Bond Average		
		Spread %	Bonds %	Spread %	Spread %	Bonds %	Spread %	Spread %	Bonds %	Spread %	Spread %	Bonds %	Spread %	Average %	Spread %	Spread %
1948	2.91	0.45	3.36	0.78	3.69	0.81	3.72	3.79	0.88	3.64	0.73	3.42	0.56	3.35	0.58	3.86
1949	2.86	0.30	3.16	0.71	3.57	0.53	3.39	3.57	0.71	3.42	0.56	3.35	0.68	4.33	0.79	4.42
1950	2.77	0.35	3.12	0.69	3.46	0.65	3.33	3.50	0.73	3.35	0.72	3.86	0.74	3.90	0.77	3.71
1951	3.17	0.48	3.65	0.90	4.07	1.11	3.82	3.89	0.69	4.29	0.81	4.42	0.99	4.39	0.81	1.16
1952	3.54	0.60	4.14	1.11	4.65	0.98	4.23	4.49	0.68	4.42	1.01	3.90	0.72	5.28	0.91	4.93
1953	3.68	0.47	4.15	0.85	4.66	0.81	4.36	4.14	0.81	3.90	0.99	4.39	0.57	5.62	0.57	5.76
1954	3.13	0.42	3.55	0.72	3.98	0.74	3.94	3.98	0.74	3.71	0.70	4.53	0.55	5.52	0.59	5.52
1955	2.99	0.39	3.38	0.99	4.57	1.09	4.28	5.38	1.26	5.28	0.47	5.48	0.52	5.52	0.59	5.52
1956	3.58	0.58	4.16	1.40	5.52	0.88	5.21	4.98	0.96	4.93	0.47	5.76	0.53	5.52	0.59	5.52
1957	4.12	0.90	5.02	1.11	5.13	0.84	4.90	5.54	0.46	5.62	0.47	5.76	0.53	5.52	0.59	5.52
1958	4.02	0.68	4.70	0.84	5.89	0.77	5.51	5.71	0.45	5.48	0.47	5.76	0.53	5.52	0.59	5.52
1959	5.05	0.50	5.55	0.77	6.00	0.78	5.68	5.41	0.48	5.48	0.47	5.76	0.53	5.52	0.59	5.52
1960	5.23	0.42	5.65	0.77	5.71	0.78	5.41	5.41	0.48	5.48	0.47	5.76	0.53	5.52	0.59	5.52
1961	4.93	0.56	5.49	0.78	5.70	0.72	5.41	5.41	0.43	5.45	0.47	5.76	0.53	5.52	0.59	5.52
1962	4.98	0.52	5.50	0.72	5.70	0.72	5.41	5.41	0.43	5.45	0.47	5.76	0.53	5.52	0.59	5.52
Monthly Average																
1963	31	4.91	5.36	0.63	5.54	0.52	5.43	5.29	0.38	5.41	0.50	5.41	0.50	5.41	0.50	5.41
January	28	4.98	5.37	0.54	5.52	0.47	5.45	5.37	0.39	5.43	0.45	5.43	0.45	5.43	0.45	5.43
February	29	4.99	5.39	0.52	5.51	0.50	5.49	5.42	0.43	5.45	0.46	5.45	0.46	5.45	0.46	5.45
March	30	4.91	5.32	0.56	5.47	0.48	5.39	5.33	0.42	5.38	0.47	5.38	0.47	5.38	0.47	5.38
April	31	4.81	5.29	0.58	5.39	0.53	5.34	5.26	0.45	5.32	0.51	5.32	0.51	5.32	0.51	5.32
May	30	4.76	5.29	0.65	5.41	0.66	5.42	5.26	0.50	5.34	0.58	5.34	0.58	5.34	0.58	5.34
June	31	4.90	5.44	0.69	5.59	0.60	5.50	5.43	0.53	5.49	0.53	5.49	0.53	5.49	0.53	5.49
July	31	5.16	5.67	0.72	5.88	0.45	5.61	5.49	0.33	5.66	0.33	5.66	0.33	5.66	0.33	5.66
August	30	4.88	5.50	0.79	5.67	0.68	5.56	5.44	0.56	5.54	0.56	5.54	0.56	5.54	0.56	5.54
September	31	4.92	5.51	0.74	5.66	0.74	5.48	5.40	0.48	5.51	0.48	5.51	0.48	5.51	0.48	5.51
October	29	4.96	5.53	0.76	5.72	0.52	5.48	5.41	0.45	5.53	0.45	5.53	0.45	5.53	0.45	5.53
November	31	4.97	5.53	0.70	5.67	0.53	5.50	5.39	0.42	5.52	0.42	5.52	0.42	5.52	0.42	5.52
December																

Source: McLeod, Young, Weir and Company Limited; 40 Bond Yield Average.

(1) The yield for long-term Canada is based on a single bond, whereas 10 are used in the other fields.





Trends in Industrial Stock Indices - 1948-1963

	Canada			New York					
	Toronto Stock Exchange(1)			Dow-Jones(2)			Standard and Poor's(3)		
	High	Low	Spread	High	Low	Spread	High	Low	Spread
1948	191.44	149.13	42.31	193.16	165.39	27.77	16.93	13.58	3.35
1949	207.36	157.28	50.08	200.52	161.60	38.92	16.52	13.23	3.29
1950	291.31	203.27	88.04	235.47	196.81	38.66	20.60	16.34	4.26
1951	360.88	290.69	70.19	276.37	238.99	37.38	24.33	20.85	3.48
1952	343.50	309.34	34.16	292.00	256.35	35.65	26.92	23.30	3.62
1953	326.81	296.79	30.02	293.79	255.49	38.30	26.99	22.70	4.29
1954	384.18	311.85	72.33	404.39	279.87	124.52	37.24	24.84	12.40
1955	455.90	374.18	81.72	488.40	388.20	100.20	49.54	35.66	13.88
1956	506.33	430.46	75.87	521.05	462.35	58.70	53.28	45.71	7.57
1957	490.42	380.06	104.36	520.77	419.79	100.98	53.58	41.52	12.06
1958	515.02	398.63	116.39	583.65	436.89	146.76	58.97	43.20	15.77
1959	555.65	489.77	65.88	683.90	571.73	112.17	65.81	56.75	9.06
1960	532.84	472.30	60.54	685.47	566.05	119.42	65.02	55.34	9.68
1961	(Based on Closing Quotations)								
Jan.	542.08	524.13	17.95	650.64	610.25	40.39	65.61	60.87	4.74
Feb.	550.75	539.19	11.56	662.08	637.04	25.04	67.79	64.54	3.25
March	560.00	548.25	11.75	679.38	661.08	18.30	68.78	67.06	1.72
April	576.00	558.69	17.31	696.72	672.66	24.06	70.62	68.10	2.52
May	588.06	578.13	9.93	705.96	686.49	19.47	71.25	68.90	2.35
June	593.88	576.44	17.44	703.79	681.16	22.63	71.05	68.22	2.83
July	595.69	580.25	15.44	705.37	679.30	26.07	70.65	68.00	2.65
Aug.	601.75	594.69	7.06	725.76	710.46	15.30	72.38	70.89	1.49
Sept.	610.35	594.33	16.02	726.53	691.86	34.67	72.27	69.17	3.10
Oct.	600.77	595.06	5.71	708.49	697.24	11.25	72.08	70.15	1.93
Nov.	611.98	600.96	11.02	734.34	703.84	30.50	75.60	72.20	3.40
Dec.	620.48	609.42	11.06	734.91	720.87	14.04	76.69	75.02	1.67
1962	(Based on Closing Quotations)								
Jan.	622.90	599.79	23.11	726.01	689.92	36.09	75.22	71.68	3.54
Feb.	623.29	608.79	14.50	717.55	702.54	15.01	74.67	73.21	1.46
Mar.	628.60	617.56	11.04	723.54	706.63	16.91	75.10	73.36	1.74
Apr.	623.93	607.73	16.20	705.42	665.33	40.09	73.16	68.58	4.58
May	617.73	557.96	69.77	675.49	576.93	98.56	70.13	60.02	10.11
June	566.13	510.23	55.90	611.05	535.76	75.29	62.37	54.80	7.57
July	540.52	522.35	18.17	597.93	571.24	26.69	61.03	58.48	2.55
Aug.	561.96	529.21	22.75	616.00	588.35	27.65	62.67	60.02	2.65
Sept.	554.17	529.08	25.09	607.63	574.12	33.51	61.90	58.22	3.68
Oct.	536.13	518.52	17.61	589.77	558.06	31.71	59.80	55.70	4.10
Nov.	571.91	537.90	34.01	652.61	597.13	55.48	65.44	59.49	5.95
Dec.	576.50	564.48	12.02	653.99	640.14	13.85	66.00	64.89	1.11
1963	(Based on Closing Quotations)								
	High	Low	Close	High	Low	Close	High	Low	Close
Jan.	600.98	577.55	598.22	683.73	646.79	682.85	69.21	65.48	69.21
Feb.	599.90	586.19	586.19	688.96	662.94	662.94	69.54	67.14	67.14
Mar.	605.08	588.69	605.08	684.73	659.72	682.52	69.83	66.99	69.71
Apr.	636.68	603.97	635.83	718.33	684.27	717.70	73.29	70.02	73.29
May	647.96	636.37	647.96	726.96	717.95	726.96	74.35	72.89	74.35
June	649.58	628.25	629.01	726.49	706.03	706.88	74.25	72.43	72.76
July	637.31	610.52	617.81	714.09	687.71	695.43	73.74	71.16	72.48
Aug.	619.29	613.63	619.29	729.32	694.87	729.32	76.09	72.41	76.09
Sept.	649.08	621.15	638.43	748.71	732.02	732.79	77.22	75.47	75.47
Oct.	660.03	642.19	654.29	760.50	737.94	755.23	78.87	76.06	78.32
Nov.	134.19	129.23	132.84	753.77	711.49	750.52	78.11	73.43	77.43
Dec.	137.49	133.24	137.49	767.21	751.82	762.95	79.25	77.85	79.25

- (1) T.S.E. Index - 60 Industrials (1948-Oct. 1963).  
New 77 Industrials commencing with November.
- (2) Dow-Jones - 30 Industrials.
- (3) Standard and Poor's Index - 425 Industrials.  
(1941-43=10).











